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Canada Education Savings Program

Canada Education Savings Program

Annual Statistical Review

December 2008

TABLE OF CONTENTS

MESSAGE TO STAKEHOLDERS 3

CANADA EDUCATION SAVINGS PROGRAM (CESP) 4

REPORT METHODOLOGY 4

KEY HIGHLIGHTS BY QUARTER 5

1. REGISTERED EDUCATION SAVINGS PLANS (RESPs)
   - 1.1 RESP Assets Trend and Analysis by Year and Quarter 6
   - 1.2 RESP Assets Analysis by Provider Types 8

2. CANADA EDUCATION SAVINGS GRANT (CESG)
   - 2.1 CESG Payments 9
   - 2.2 CESG Beneficiaries 10
   - 2.3 CESG Participation Rates 12
   - 2.4 Average Age of New CESG Beneficiaries 13
   - 2.5 RESP Contributions 13

3. CANADA LEARNING BOND (CLB)
   - 3.1 CLB Cumulative Payments and Cumulative Number of Beneficiaries 15
   - 3.2 CLB Participation Rates by Province and Year 16
   - 3.3 RESP Contributions made to CLB Beneficiaries 16

4. SUPPORTING ACCESS TO POST-SECONDARY EDUCATION (PSE)
   - 4.1 Average RESP Assets Withdrawals in terms of Education Assistant Payments (EAPs) and PSE Withdrawals 17
   - 4.2 EAP and PSE Withdrawals by Year 17
   - 4.3 RESP Withdrawal Rate for Attending PSE by Year and Age 18
   - 4.4 PSE Participation Rate 19

5. BASE POPULATION STATISTICS
   - 5.1 Projected Number of Children by Age Group and by Province/Territory for 2008 20

6. GLOSSARY OF TERMS 21

MESSAGE TO STAKEHOLDERS

Dear Stakeholder,

The Canada Education Savings Program's (CESP) Statistical Review has substantially evolved over the last 10 years. In the early days of the program, the Review was a two-page statistical report on key program indicators. Today, this publication has grown to encompass analysis on trends occurring with Registered Education Savings Plan (RESP) Assets, the level of uptake on the Canada Education Savings Grant (CESG) and the Canada Learning Bond (CLB) up to and including the number of beneficiaries pursuing a post-secondary education as a result of these early saving incentives.

Over the coming months, efforts will be undertaken in CESP to streamline future Statistical Reviews into an annual publication that is more targeted to stakeholders' key knowledge needs. We are therefore seeking your feedback on the type of information and format that would be of most value to your organization. This feedback will be compiled and incorporated in our 2009 edition.

We thank you in advance for your assistance in this endeavour and look forward to hearing from you via e-mail at cesp-pcee@hrsdc-rhdsc.gc.ca by June 30, 2009, if possible. To facilitate this process, we recommend using the title "Annual Statistical Review" in the subject line to ensure that your valued feedback is relayed and compiled in the most timely and effective manner.

Respectfully yours,

Members of the CESP team

CANADA EDUCATION SAVINGS PROGRAM (CESP)

The Canada Education Savings Program (CESP) underscores the Government of Canada's recognition that post-secondary education (PSE) is a national priority, and that learning through full and part-time study in a variety of settings (e.g., universities, community colleges, vocational and technical institutes, and CÉGEPs) is vital in providing all Canadian children with an opportunity to acquire the knowledge and skills necessary to meet the challenges of an evolving workforce and a changing economy.

The Program's mission is to encourage Canadian families to save for the PSE of their children through Registered Education Savings Plans (RESPs). The CESP administers the Canada Education Savings Grant (CESG), the Canada Learning Bond (CLB), and a similar program to support education savings on behalf of the province of Alberta.

The CESG was established in 1998 and is available to all Canadian children, up to and including the age of 17. An enhancement to the CESG was made to increase the grant rates available for modest-income families.

On the first $500 saved every year, the CESG provides:

- up to $200, if the net family income is $37,885 or less
- up to $150, if the net family income is between $37,885 and $75,769, or
- up to $100, if the net family income is more than $75,769.

(Note: net family income amounts shown above are for 2008 and are updated annually.)

When more than $500 annually is saved up, the CESG could add up to $400 on the next $2,000.

The maximum a child can receive in CESG is between $500 and $600 per year and the total lifetime limit is $7,200.

The Canada Learning Bond (CLB) was introduced to help lower-income families to start saving early in RESPs for their children's future PSE. To be eligible, the subscriber must be receiving the National Child Benefit Supplement (NCBS) and the child must be born on or after January 1, 2004. To receive the CLB, an individual must open an RESP, but no contributions need to be made. The amount of the CLB is equal to the sum of the following amounts, and can add up to a lifetime maximum of $2,000 per child:

- $500 for the year in which a child is born or their family becomes eligible for the NCBS, provided that the beneficiary is less than 15 years of age (note that all beneficiaries who are eligible for the CLB are those who are currently less than 5 years old); and
- $100 in each subsequent year, until the beneficiary reaches 15 years of age.
- Entitlements for the CLB accumulate and are held until the child turns 21 years of age, so even if parents do not open an RESP for a child right away, they receive their full entitlement in a lump sum when they do.

REPORT METHODOLOGY

This report which aims to provide a status update on the Program, is made available to RESP providers, academia, the general public and various government organizations upon request. The primary source of data used to produce this report is CESP's Reporting Database, which compiles CESG and the CLB data supplied by RESP providers.

CESG statistics are calculated based on the transaction date, which is the date that an application is filed or a transaction is made; while CLB statistics are calculated based on the processing date (to be consistent with the reporting of CLB payments), which is the date that the grant is paid.

This report also contains information stemming from other sources such as: Statistics Canada, the TSX composite index and the Canadian Council for Learning.

KEY HIGHLIGHTS

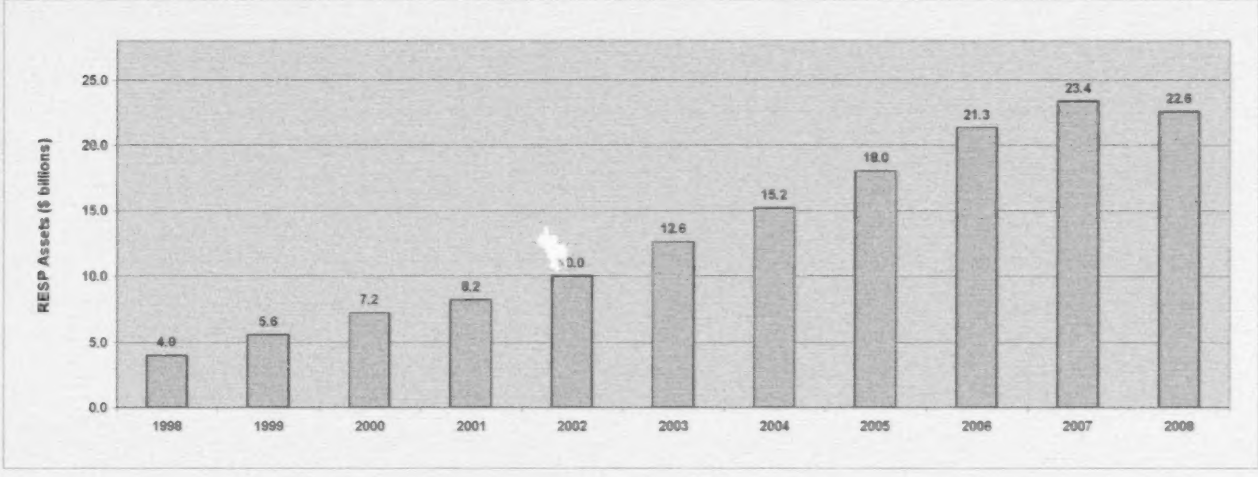
DESCRIPTION	2007	2008	Change
REGISTERED EDUCATION SAVINGS PLANS (RESPs)			
Total Value of RESP Assets ($ billion)	$ 23.37	$ 22.60	-$0.8
Value of RESP Annual Contributions ($ billion)	$ 2.97	$ 3.05	$0.08
CANADA EDUCATION SAVINGS GRANT (CESG)			
CESG Payments ($ million)	$ 575	$ 587	$ 13
Total CESG Paid Since Its Inception in 1998 ($ billion)	$ 3.85	$ 4.44	0.59
Total Number of Children (0-17 Yrs) Who Have Received the CESG Since Its Inception in 1998 (million)	2.53	2.64	0.11
Total Number of Children Who Have Received the CESG Since Its Inception in 1998 (million)	3.18	3.42	0.24
Average Age of New CESG Beneficiaries	4.14	3.90	-0.24
CESG Participation Rate	37.3%	39.3%	2.0%
CANADA LEARNING BOND (CLB)			
Number of Children Who Have Ever Received a CLB	75,700	140,185	64,485
Total CLB Paid Since Its Inception in 2005 ($ million)	$ 50.42	$ 98.43	$ 48.01
Number of Children Eligible for CLB	643,377	857,613	214,236
CLB Participation Rate	11.8%	16.3%	4.5%
Percentage of Families that receive CLB that also contribute to RESPs	Not Reported	94.2%	N/A
Average Cumulative Contribution per CLB Beneficiaries	Not Reported	2,128	N/A
Total Contribution for All CLB Beneficiaries ($ million)	Not Reported	$ 298	N/A
ACCESS TO POST-SECONDARY EDUCATION (PSE)			
Number of CESG Beneficiaries Withdrawing Funds from RESPs to Attend PSE	218,180	228,794	10,614
Average Amount of RESP Asset Withdrawals for PSE ($)	$ 6,064	$ 6,600	$ 536
Total Amount of RESP Asset Withdrawals for PSE ($ billion)	$ 1.32	$ 1.5	$ .18

1. REGISTERED EDUCATION SAVINGS PLANS (RESPs)

1.1 RESP Assets Trend and Analysis by Year and Quarter

RESP assets have grown significantly since the introduction of Canada Education Savings Grant in 1998, reaching $23.4 billion by December 31, 2007. The value of RESP assets continued to rise steadily in the 1st and 2nd Quarter of 2008. Then in the 3rd and 4th Quarters, the value decreased to $22.6 billion, a difference of approximately $771 million over the value of the previous year. While the decline was substantial, RESP assets fared relatively well when compared to a 35% decline in the TSX experienced over the same period.

Chart 1.1 RESP Assets Trend by Year



The change in the value of RESP assets is determined by the net cash flow of RESP accounts and the market trend. The net cash flow of RESP is the difference between cash inflow and withdrawals. Cash inflow is the sum of contributions, CESG grants, CLB payments, and Provincial Bond, whereas RESP withdrawals represent the sum of EAPs, PSE withdrawals and Grant repayments.

Table 1.1 RESP Assets Cash Flow and Market Effect Analysis ($ million)

iod by Quarter	RESP Assets	RESP Assets Change	RESP Cash Inflow	RESP Withdrawals	RESP Net Cash Flow	Market Effect	Cumulative Market Effect
Qtr4-2007	23375.6						
Qtr1-2008	23855.2	479.6	1015.0	216.5	798.5	-318.9	-318.9
Qtr2-2008	24627.0	771.8	804.2	163.7	640.5	131.3	-187.6
Qtr3-2008	23467.9	-1159.1	789.0	889.8	-100.7	-1058.4	-1246.0
Qtr4-2008	22603.3	-864.7	1085.7	295.3	790.4	-1655.1	-2901.0
Total		-772.3	3693.9	1565.2	2128.7	-2901.0	

Table 1.1 shows the change in the value of assets, the net cash flow of RESP accounts and the market effect in each Quarter of 2008. In the 1st Quarter, the market was devalued by $318.9 million, then increased to $131.3 million by the 2nd Quarter. Then in the 3rd and the 4th Quarters the market was devalued by approximately $1,058.4 million and $1,655.1 million respectively.

This figure is made up of $ 3.7 billion in deposits (contributions and grants), less $1.5 billion in withdrawals to fund PSE and a market loss of $2.9 billion.

Chart 1.2 TSX and Cumulative Market Effect on RESPs in 2008

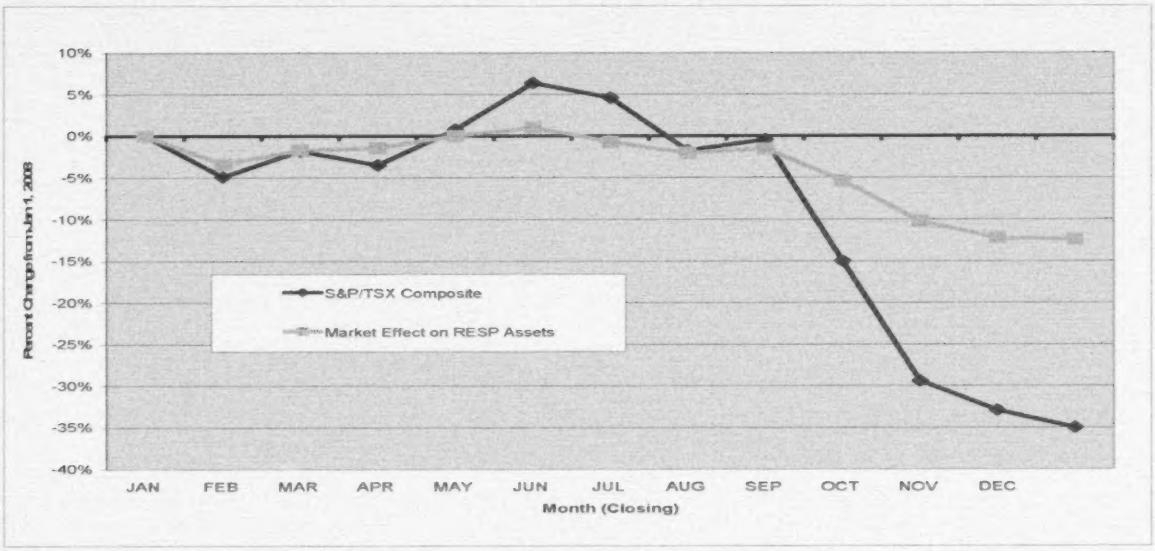


Chart 1.2 depicts the trend of Toronto Stock Exchange (TSX) composite index and the cumulative market effect on RESP assets in 2008. In 2008, RESP assets devalued by 12.4%, compared to a 35% decline in the TSX.

1.2 RESP Assets Analysis by Provider Types

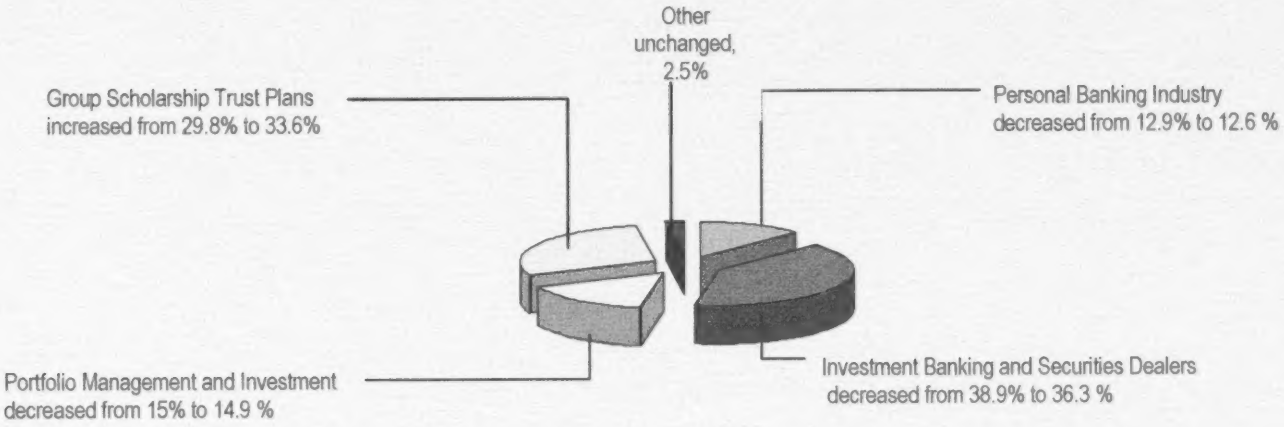
The impact on RESP assets varied by RESP provider type. Table 1.2 shows the changes by provider type from the 4th Quarter 2007 to the 4th Quarter 2008. Group Scholarship Trust Plans and Other Providers showed gains over this period, while assets managed by the Personal Banking Industry, Investment Banking and Securities Dealers and Portfolio Management and Investment concerns decreased in value.

Table 1.2 RESP Assets Analysis by RESP Provider Types

	Q4-2007	Q1-2008	Q2-2008	Q3-2008	Q4-2008	Change
RESP Provider Types	$ billion	$ billion	$ billion	$ billion	$ billion	From Q4-2007 to Q4-2008
1. Personal Banking Industry	2.96	3.04	3.18	2.97	2.86	-3.4%
2. Investment Banking and Securities Dealers	9.30	9.38	9.61	8.85	8.19	-11.9%
3. Portfolio Management and Investment	3.71	3.77	3.94	3.69	3.37	-9.2%
4. Group Scholarship Trust Plans	6.85	7.08	7.34	7.37	7.60	10.9%
5. Other	0.55	0.58	0.61	0.59	0.58	5.5%
Total (Asset Value)	23.38	23.86	24.68	23.47	22.60	-3.3%

The change in the overall value of RESP assets has shifted the proportional holdings of assets among the different types of RESP providers. For instance, Group Scholarship Trust Plans have increased their holdings from previous reporting periods, whereas, Investment Banking and Securities Dealers, the Personal Banking Industry and Portfolio Management and Investment have all decreased their holdings of RESP Assets.

Chart 1.3 Proportions of RESP Asset Values by Provider Types



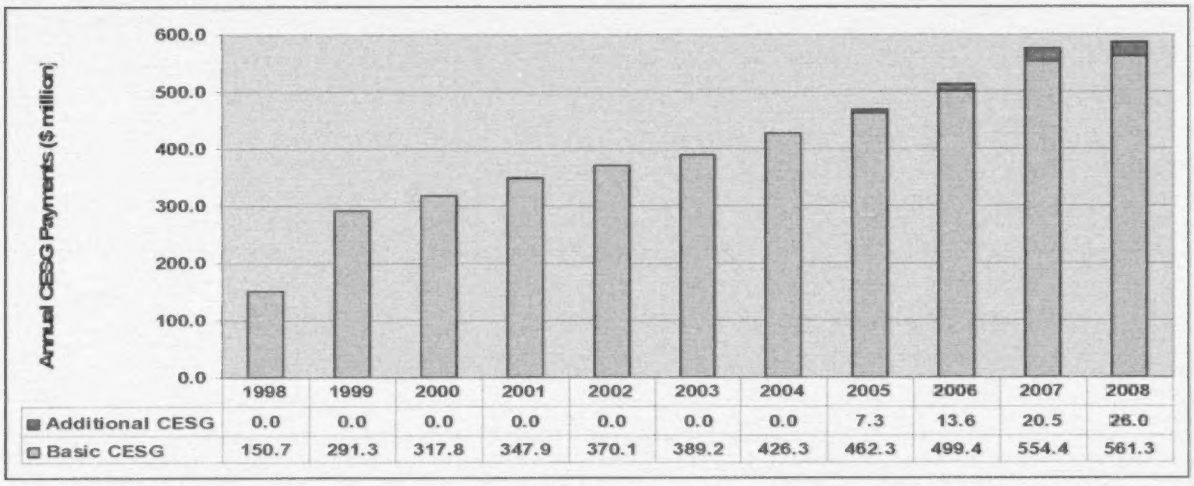
2. CANADA EDUCATION SAVINGS GRANT (CESG)

2.1 CESG Payments

2.1.1 Annual CESG Payments

Since 2003, annual CESG payments have increased at an average growth rate of 9%. In 2008, the total annual CESG payment was $ 587.3 million. Over the period of 2005 to 2008, the Additional CESG payments have augmented the support available to middle and modest income families.

Chart 2.1.1 Annual CESG Payments

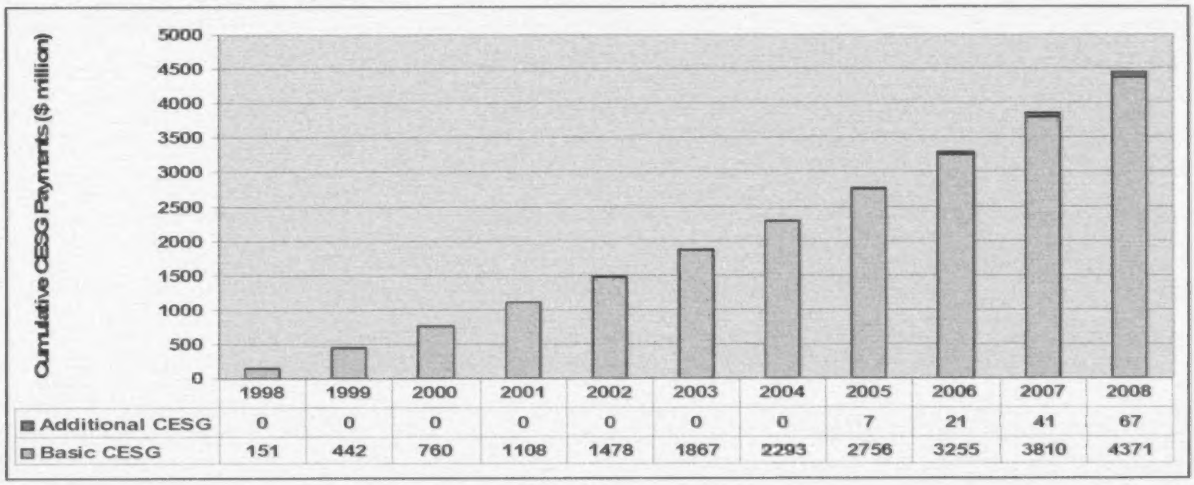


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Additional CESG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.3	13.6	20.5	26.0
Basic CESG	150.7	291.3	317.8	347.9	370.1	389.2	426.3	462.3	499.4	554.4	561.3

2.1.2 Cumulative CESG Payments

As of December 31, 2008, $4.44 billion in CESG payments had been paid into RESPs since the inception of the program in 1998. The total amount of Additional CESG payments made since 2005 was $67 million.

Chart 2.1.2 Cumulative CESG Payments



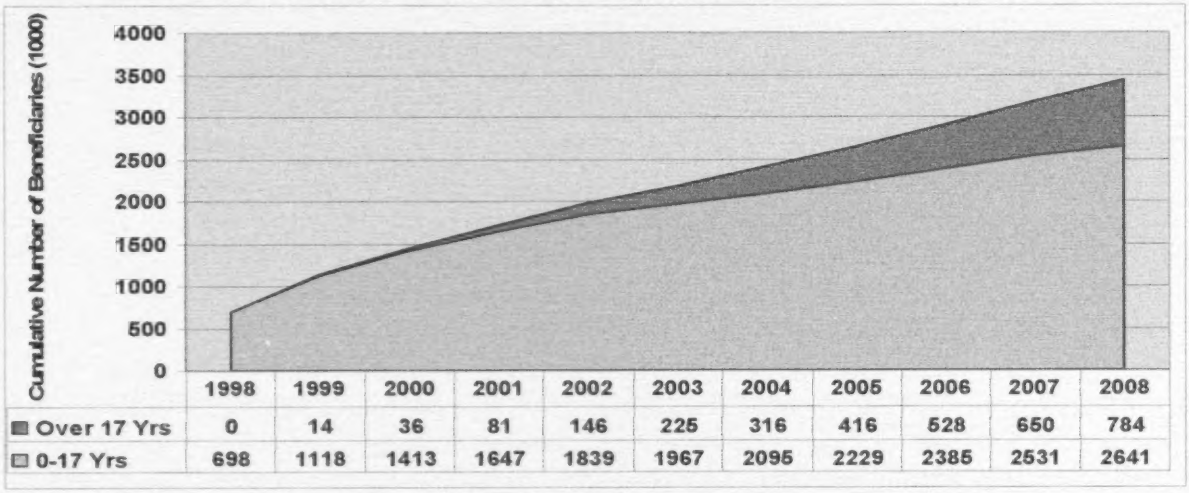
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Additional CESG	0	0	0	0	0	0	0	7	21	41	67
Basic CESG	151	442	760	1108	1478	1867	2293	2756	3255	3810	4371

2.2 CESG Beneficiaries

2.2.1 Cumulative Number of Beneficiaries who have Ever Received a CESG

The Canada Education Savings Grant (CESG) is paid on savings for children between the ages of 0 and 17 years old. Since 1998, a total of 3.42 million children in Canada have received a CESG. Of this number, 2.62 million children (77%) are currently between the ages of 0 and 17 years of age, while 784,000 beneficiaries (23%) are older than 17. Since RESP accounts can be kept open for up to 35 years, there will be a gradual increase in the number of beneficiaries over 17 years of age who received the CESG as part of their RESP.

Chart 2.2.1 Cumulative Number of Beneficiaries by Age Group and Year

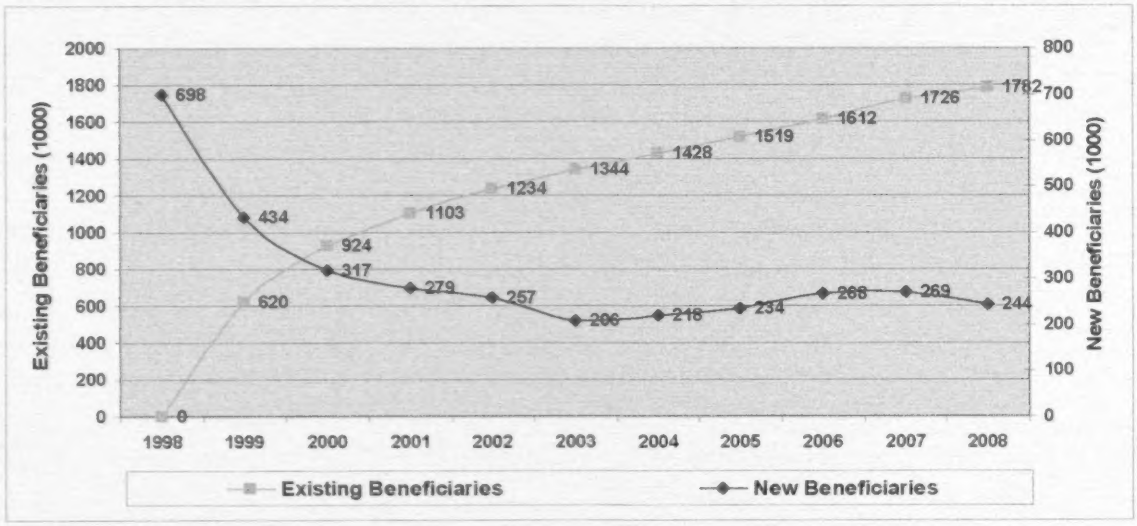


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Over 17 Yrs	0	14	36	81	146	225	316	416	528	650	784
0-17 Yrs	698	1118	1413	1647	1839	1967	2095	2229	2385	2531	2641

2.2.2 Annual Number of New Beneficiaries under 18

The CESG has added on average, approximately 311,000 new beneficiaries each year since the program's inception. The number of new beneficiaries has been growing by approximately 6.9% since 2003, but declined for the first time in 2008. The blue curve in Chart 2.2.2 shows the annual number of newly registered beneficiaries per year and the pink curve shows the annual number of existing beneficiaries per year.

Chart 2.2.2 Annual Number of New Beneficiaries by Year



2.2.3 Cumulative Number of Beneficiaries by Province/Territory for 2004 to 2008

The national average annual growth rate in the number of children benefitting from the CESG was 9.3% from 2004 to 2008. During this time, Alberta and Quebec held the highest average annual growth rate.

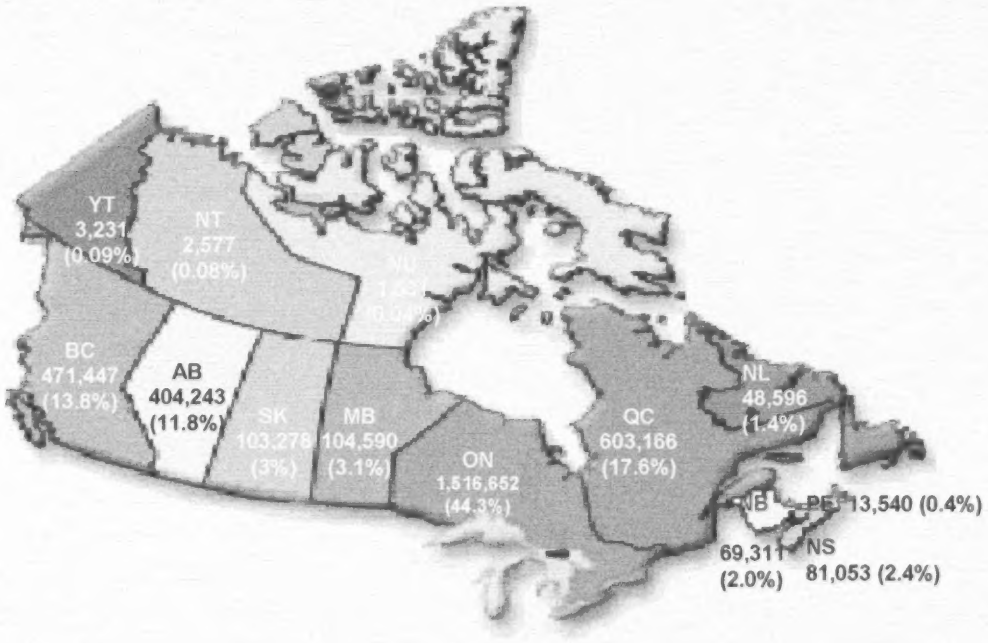
Table 2.2.3 Cumulative Number of Beneficiaries

Provinces & Territories	2004	2005	2006	2007	2008	Growth Rate(%)
Alberta	271,960	303,701	339,999	374,318	404,243	10.5%
Quebec	409,151	451,160	500,464	553,791	603,166	10.3%
Ontario	1,069,481	1,172,742	1,292,168	1,410,427	1,516,652	9.2%
British Columbia	339,322	370,234	404,904	439,737	471,447	9.0%
Nunavut	1,190	1,292	1,374	1,498	1,575	8.9%
Manitoba	75,293	81,841	89,394	97,114	104,590	8.8%
New Brunswick	51,828	56,693	61,382	65,970	70,182	8.3%
Saskatchewan	77,497	83,692	90,275	96,923	103,278	7.8%
Prince Edward Island	10,192	10,942	11,820	12,695	13,540	7.8%
Yukon	2,419	2,605	2,828	3,030	3,231	7.5%
Northwest Territories	1,951	2,104	2,274	2,429	2,577	7.5%
Nova Scotia	61,767	66,586	71,742	76,753	81,053	7.3%
Newfoundland and Labrador	38,171	40,605	43,317	46,000	48,596	6.5%
Canada	2,410,653	2,644,722	2,912,556	3,181,363	3,424,891	9.3%

2.2.4 Number of Beneficiaries Who Have Ever Received a CESG by Province/Territory as of December 31, 2008

The total number of beneficiaries who received a CESG as of December 31, 2008 was 3.42 million. This represents an increase of approximately 244,000 over the previous year.

Chart 2.2.4 Cumulative Number of Beneficiaries by Province/Territory



2.3 CESG Participation Rates

2.3.1 CESG Participation Rates by Province and Year

As of December 31, 2008, the national participation rate on CESG was 39.3%. The provinces of Alberta, Ontario and British Columbia held the highest participation rates at 45.6%, 42.8%, and 40.7% respectively.

Table 2.3.1 CESG Participation Rates by Province/Territory and Year

Provinces & Territories	2000	2001	2002	2003	2004	2005	2006	2007	2008
Alberta	20.6%	24.5%	27.7%	30.0%	32.6%	35.8%	39.5%	42.9%	45.6%
Ontario	23.1%	26.9%	29.9%	31.9%	33.8%	36.0%	38.5%	40.9%	42.8%
British Columbia	22.1%	25.5%	28.6%	30.7%	33.0%	34.9%	37.0%	39.1%	40.7%
Yukon	17.9%	21.7%	25.3%	28.3%	31.0%	33.2%	35.2%	37.7%	39.5%
Newfoundland and Labrador	21.1%	24.3%	27.1%	29.1%	31.3%	33.1%	35.2%	37.2%	39.1%
New Brunswick	18.6%	21.8%	24.5%	26.8%	29.2%	31.6%	33.9%	36.2%	38.3%
Nova Scotia	17.9%	21.0%	23.6%	25.4%	27.1%	28.8%	30.5%	32.1%	33.4%
Quebec	14.4%	17.3%	19.9%	21.8%	23.9%	25.9%	28.3%	31.0%	33.4%
Prince Edward Island	18.1%	21.2%	23.7%	25.5%	27.2%	28.7%	30.2%	31.6%	33.0%
Saskatchewan	18.1%	20.8%	23.0%	24.4%	26.1%	27.5%	28.9%	30.3%	31.6%
Manitoba	16.0%	18.3%	20.4%	21.9%	23.4%	24.8%	26.5%	28.2%	29.7%
Northwest Territories	8.9%	10.7%	12.2%	13.2%	14.2%	15.0%	16.4%	17.6%	18.5%
Nunavut	5.1%	6.4%	7.6%	8.5%	9.5%	10.2%	10.6%	11.4%	12.1%
CANADA	19.9%	23.3%	26.2%	28.2%	30.3%	32.4%	34.9%	37.3%	39.3%

2.3.2 CESG Participation Rates by Age Group and by Province/Territory as of December 2008

Table 2.3.2 shows that the highest participation rate in CESG for any age group (50.8%) was in Alberta, for children between 5 to 9 years of age.

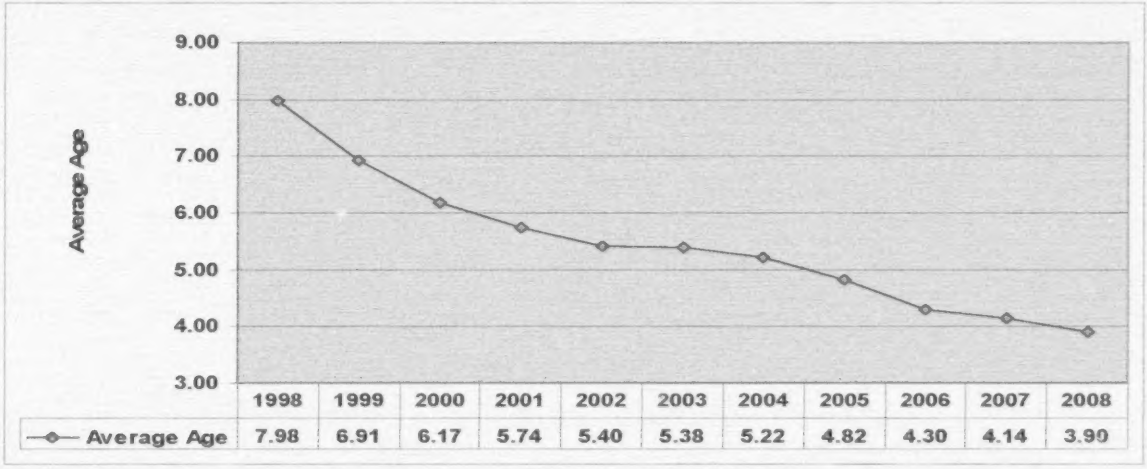
Table 2.3.2 CESG participation rate by Age Group and Province/Territory

Province/Territory	Age:0-4	Age:5-9	Age:10-14	Age:15-17	Age: 0-17
Alberta	46.0%	50.8%	45.4%	38.3%	45.6%
Ontario	36.3%	48.6%	45.5%	38.8%	42.8%
British Columbia	36.7%	45.8%	42.6%	36.0%	40.7%
Yukon	35.2%	46.9%	40.9%	33.6%	39.5%
Newfoundland and Labrador	36.9%	49.5%	38.8%	29.4%	39.1%
New Brunswick	38.2%	47.5%	36.6%	29.4%	38.3%
Nova Scotia	27.9%	40.8%	34.7%	28.7%	33.4%
Quebec	34.2%	39.8%	32.4%	25.8%	33.4%
Prince Edward Island	24.6%	37.9%	36.2%	32.2%	33.0%
Saskatchewan	25.8%	36.8%	33.6%	29.8%	31.6%
Manitoba	23.8%	33.6%	32.3%	28.4%	29.7%
Northwest Territories	16.6%	24.3%	19.2%	13.5%	18.5%
Nunavut	9.2%	15.5%	13.5%	9.6%	12.1%
Canada	35.8%	45.2%	40.6%	34.0%	39.3%

2.4 Average Age of New CESG Beneficiaries

The CESG is designed to encourage families to begin saving early. Chart 2.4 demonstrates that between 1998 and 2008, the average age at which beneficiaries received their first CESG grant steadily decreased from 8 years of age to 3.9 years of age. For instance, from 1998 to 2002 the average age dropped 2.5 years as CESG incentives encouraged more Canadians to open RESP accounts. After a flat period experienced from 2002 to 2004, the average age of new beneficiaries dropped sharply in 2005-2006. This may be attributed to the introduction of the CLB for children of low-income families born after 2003 or to federal-provincial initiatives to streamline the application processes for birth certificates and SINs.

Chart 2.4 Average Age of New CESG Beneficiaries by Year



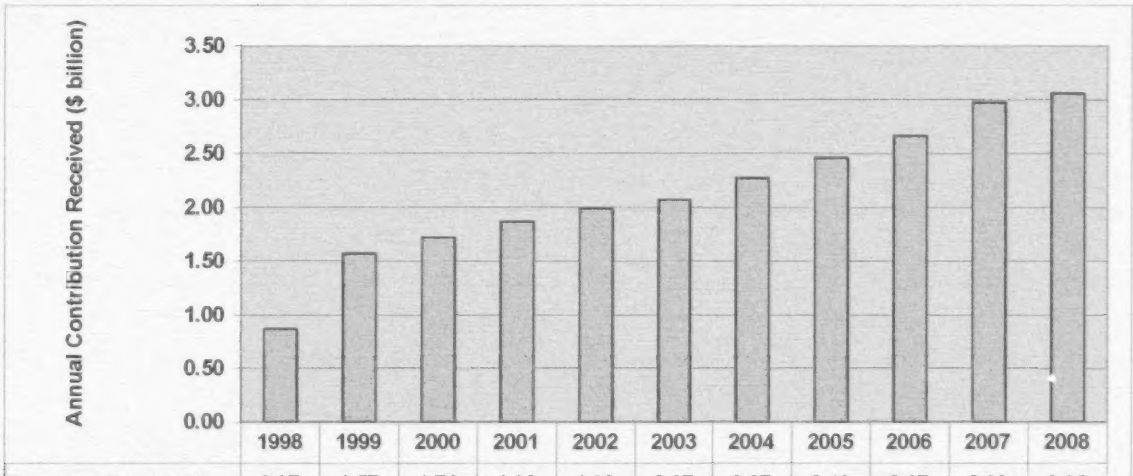
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Average Age	7.98	6.91	6.17	5.74	5.40	5.38	5.22	4.82	4.30	4.14	3.90

2.5 RESP Contributions

2.5.1 Total RESP Annual Contributions

Chart 2.5.1 shows that annual RESP contributions have steadily increased over time. Between 2003 and 2007 the average rate of increase was approx. 9.5%, whereas in 2008, the rate of increase dropped to 2.3%.

Chart 2.5.1 RESP Annual Contributions Received

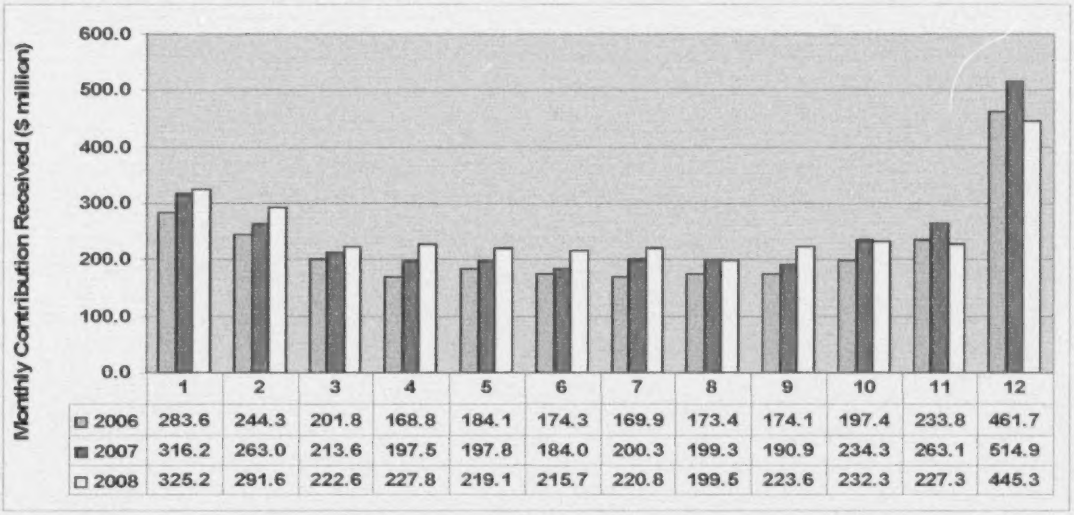


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Annual Contribution	0.87	1.57	1.71	1.86	1.98	2.07	2.27	2.46	2.67	2.98	3.05

2.5.2 RESP Monthly Contributions in 2006, 2007 and 2008

Chart 2.5.2 shows the monthly RESP contributions received in 2006, 2007 and 2008. This chart shows that monthly contributions made between January and September 2008 were larger than contributions made during the same months in 2006 and 2007. Since October 2008, however, contributions have decreased in size and are now below 2006 levels.

Chart 2.5.2 RESP Monthly Contributions Received

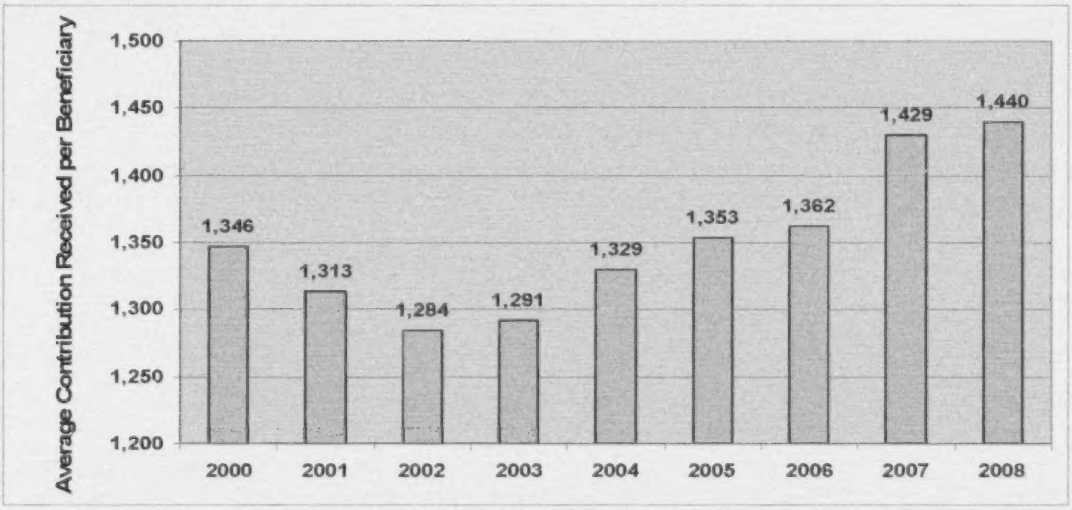


	1	2	3	4	5	6	7	8	9	10	11	12
2006	283.6	244.3	201.8	168.8	184.1	174.3	169.9	173.4	174.1	197.4	233.8	461.7
2007	316.2	263.0	213.6	197.5	197.8	184.0	200.3	199.3	190.9	234.3	263.1	514.9
2008	325.2	291.6	222.6	227.8	219.1	215.7	220.8	199.5	223.6	232.3	227.3	445.3

2.5.3 RESP Annual Average Contributions Per Beneficiary

Average RESP contributions have increased significantly in the past 2 years. For instance, in 2008, the average amount contributed to an RESP was $1,440 per child.

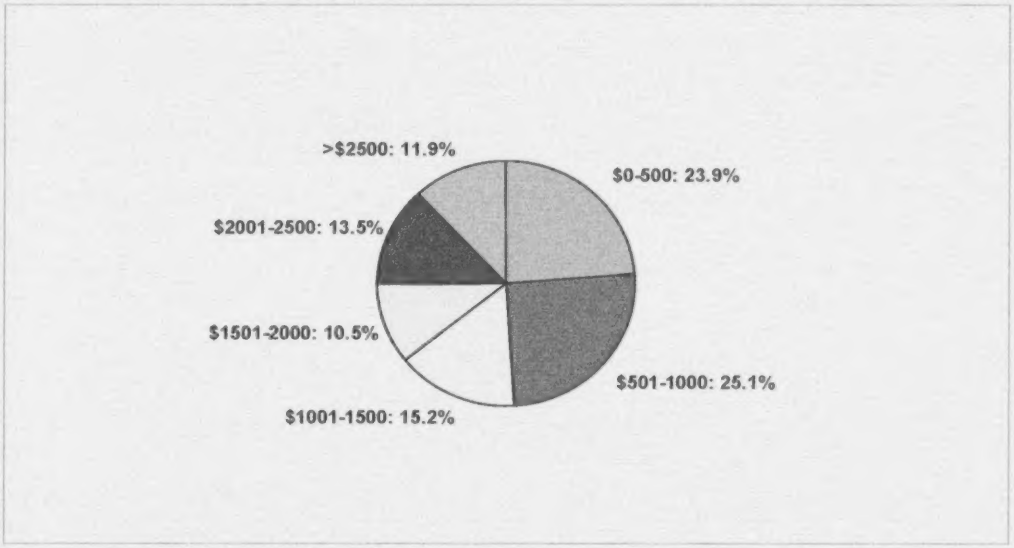
Chart 2.5.3 RESP Annual Average Contributions Received Per Beneficiary



2.5.4 Distribution of Beneficiaries by Contribution Category

Chart 2.5.4 shows the percentage breakdown of contributions made to beneficiaries' RESP accounts in 2008, in increments of $500 and up. Overall, 23.9% of subscribers contributed less than $500, 25.1% contributed between $501 and $1,000, and 51% contributed more than $1,000 to their beneficiary's RESP account.

2.5.4 Distribution of Beneficiaries by Contribution Category

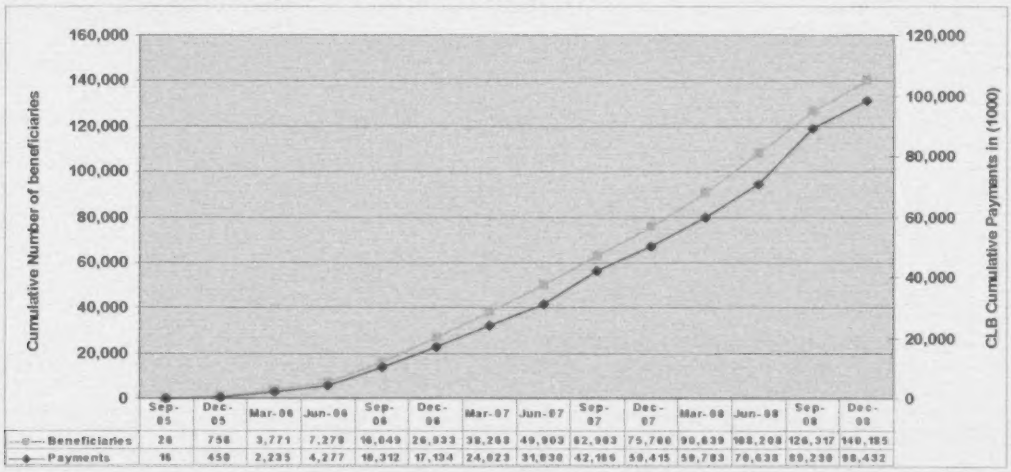


3. CANADA LEARNING BOND (CLB)

3.1 CLB Cumulative Payments and Cumulative Number of Beneficiaries

In Chart 3.1, the pink curve shows cumulative CLB payments by Quarter (right scale) and the blue curve shows the cumulative number of CLB beneficiaries by Quarter (left scale). The number of CLB beneficiaries has almost doubled in 2008. Cumulative CLB payments increased by 10.3% from the previous Quarter to approximately $98 million and the cumulative number of beneficiaries receiving the CLB increased by 11% to a total of 140,185 as of December 31, 2008.

Chart 3.1 CLB Cumulative Payments and Number of Beneficiaries



	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08
Beneficiaries	28	756	3,771	7,279	16,049	26,933	38,268	49,903	62,903	75,786	90,639	108,208	126,317	140,185
Payments	16	450	2,235	4,277	10,312	17,134	24,623	31,630	42,186	50,415	59,783	70,638	89,230	98,432

3.2 CLB Participation Rates by Province and Year

3.2.1 Table: Cumulative CLB Participation Rate by Year and Quarter in 2008

Table 3.2.1 shows that the national participation rate in the CLB rose from 11.8 % in 2007 to 16.3% in 2008. In 2008, the province of British Columbia had the highest rate of participation in the CLB program with 20.2%.

Provinces & Territories	2005	2006	2007	Mar-08	Jun-08	Sep-08	Dec-08
British Columbia	0.3%	6.0%	15.0%	16.8%	18.3%	19.6%	20.2%
Quebec	0.2%	5.6%	14.1%	15.9%	17.3%	18.4%	19.2%
Ontario	0.1%	4.2%	11.2%	12.9%	14.4%	15.5%	16.4%
Alberta	0.3%	4.9%	12.2%	13.5%	14.6%	15.5%	15.8%
New Brunswick	0.2%	5.2%	11.6%	12.8%	13.9%	14.9%	15.2%
Newfoundland and Labrador	0.2%	3.4%	8.0%	9.0%	10.2%	11.3%	11.6%
Prince Edward Island	0.1%	2.7%	5.8%	7.2%	8.4%	9.6%	10.2%
Saskatchewan	0.1%	3.3%	7.2%	8.0%	9.0%	9.9%	10.1%
Nova Scotia	0.2%	2.8%	6.6%	7.4%	8.5%	9.2%	9.7%
Manitoba	0.3%	2.9%	6.8%	7.6%	8.5%	9.3%	9.6%
Yukon	0.0%	2.0%	6.2%	7.1%	8.3%	8.9%	9.3%
Northwest Territories	0.0%	1.3%	3.0%	3.4%	3.5%	3.8%	4.1%
Other	0.0%	1.1%	2.3%	2.4%	2.3%	2.2%	1.8%
Nunavut	0.0%	0.3%	0.6%	0.8%	0.8%	0.8%	0.7%
Canada	0.2%	4.7%	11.8%	13.3%	14.6%	15.7%	16.3%

3.2.2 Table: CLB Summary Statistics by Province\Territory as of December 31, 2008

Table 3.2.2 shows the CLB take–up rate by province/territory as of December 31, 2008.

Provinces & Territories	CLB Payments	Number of Beneficiaries	CLB Eligible Children	CLB Take-Up Rate
British Columbia	14,199,475	20,427	100,880	20.2%
Quebec	26,376,050	37,624	195,720	19.2%
Ontario	36,087,225	50,674	309,743	16.4%
Alberta	10,792,550	15,909	100,888	15.8%
New Brunswick	2,087,800	2,922	19,184	15.2%
Newfoundland and Labrador	1,073,100	1,503	12,927	11.6%
Prince Edward Island	263,675	374	3,683	10.2%
Saskatchewan	2,730,800	3,928	38,769	10.1%
Nova Scotia	1,608,600	2,279	23,572	9.7%
Manitoba	3,076,175	4,348	45,427	9.6%
Yukon	52,950	78	838	9.3%
Northwest Territories	47,850	70	1,720	4.1%
Other	22,700	31	1,701	1.8%
Nunavut	12,950	18	2,561	0.7%
Canada	98,431,900	140,185	857,613	16.3%

3.3 Personal Contributions made for CLB Beneficiaries

Table 3.3 shows that 94% of CLB beneficiaries also received personal contributions to their RESPs. As of December 2008, a total of $298 million was contributed to RESP accounts that held CLB, representing an average of $2,128 per child.

Table 3.3: CLB Contribution Received Rates and Average Contribution

Up to Date	Total Number of CLB Beneficiaries	Total Amount of Contribution Received	Number of Beneficiaries receiving Contribution	Contribution Rate	Average Contribution
Dec-08	140,185	298,370,579	132,122	94.2%	$2,128

4. SUPPORTING ACCESS TO POST-SECONDARY EDUCATION (PSE)

4.1 *RESP Assets Withdrawals in terms of Education Assistant Payments (EAPs) and PSE Withdrawals*

In 2008, 228,794 students withdrew $1.5 billion from their RESPs to support their education. The average total withdrawal in RESP assets was $6,600, up $536 over last year. Approximately the same number of students received EAPs in 2007 and 2008, however, many more beneficiaries withdrew contributions (PSE Withdrawals) from their RESP accounts in 2008.

Table 4.1 RESP Assets Withdrawals

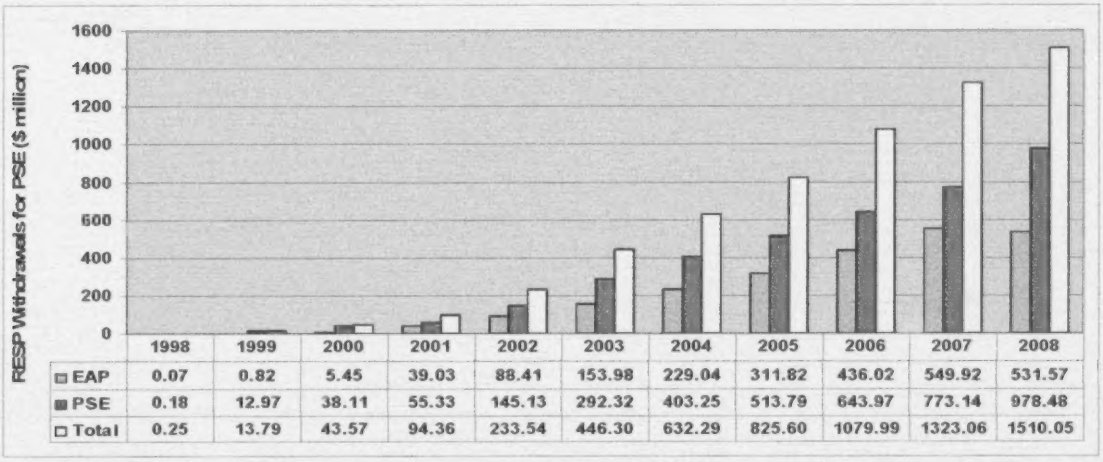
Payment Type	Year	2003	2004	2005	2006	2007	2008
EAPs Only (a)	Number of Students	31,213	41,195	50,040	60,728	69,507	69,143
	Total Value ($ million)	89.1	123.6	159.9	220.9	279.5	269.5
	Average ($)	2,855	3,000	3,196	3,638	4,021	3,897
PSE Withdrawals Only (b)	Number of Students	25,447	30,878	35,660	38,090	43,327	55,039
	Total Value ($ million)	130.5	157.3	186.1	217.9	267.3	368.9
	Average ($)	5,130	5,094	5,217	5,721	6,170	6,702
EAPs & PSE Withdrawals (c)	Number of Students	39,558	59,222	75,790	93,924	105,346	104,612
	Total Value ($ million)	226.6	351.4	479.6	641.2	776.2	871.7
	Average ($)	5,729	5,934	6,328	6,826	7,369	8,333
Total =(a)+(b)+(c)	Number of Students	96,218	131,295	161,490	192,742	218,180	228,794
	Total Value ($ million)	446.3	632.3	825.6	1,080.0	1,323.1	1,510.0
	Average ($)	4,638	4,816	5,112	5,603	6,064	6,600

4.2 EAPs and PSE Withdrawals by Year

Chart 4.2 shows the amount of EAPs, PSE withdrawals, and the total amount of RESP withdrawals for beneficiaries attending PSE each year. EAPs and PSE withdrawals have both increased steadily since 1998. The proportion of EAPs to PSE Withdrawals, however, has increased from 35% in 2003 to approximately 40% today.

In 2008, the total amount of EAPs paid dropped by about 3.3% compared to the amount paid in 2007. The total amount of PSE withdrawals, however, increased to $978 million in 2008, an increase of 26.5%. This finding reflects the fact that more families had to rely upon their own contributions to fund PSE, as less earnings were available due to the decline in the financial markets.

Chart 4.2 EAPs and PSE Withdrawals by Year



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EAP	0.07	0.82	5.45	39.03	88.41	153.98	229.04	311.82	436.02	549.92	531.57
PSE	0.18	12.97	38.11	55.33	145.13	292.32	403.25	513.79	643.97	773.14	978.48
Total	0.25	13.79	43.57	94.36	233.54	446.30	632.29	825.60	1079.99	1323.06	1510.05

4.3 RESP Withdrawal Rate for Attending PSE by Year and Age

The objective of the Canada Education Savings Program is to make PSE more affordable. Table 4.3 shows that most beneficiaries draw upon RESP funds between the ages of 18 and 21. In particular, beneficiaries of 19 years of age have consistently had the highest rate of withdrawal.

Table 4.3 RESP Withdrawal Rate by Year and Age

Age\Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
17	0.3	0.8	1.2	1.6	2.2	2.8	3.0	3.2	3.5	3.9	3.8
18		18.1	21.7	17.1	24.2	36.4	39.1	40.7	42.5	43.1	41.2
19			30.9	36.6	46.2	46.0	47.2	47.9	49.4	49.7	47.1
20				49.4	48.9	44.0	43.1	41.9	42.2	42.8	40.3
21					49.7	46.1	39.1	36.2	35.2	34.8	32.9
22						35.3	34.3	28.1	26.0	22.3	20.2
23							16.1	15.5	14.5	13.2	10.8
24								6.3	6.9	6.7	5.9
25									2.7	3.0	3.0

[1] RESP withdrawal rate is calculated as the number of beneficiaries who have withdrawn assets (either an EAP or a PSE Withdrawal) from RESPs in order to attend PSE divided by the total number of beneficiaries in the same age group.

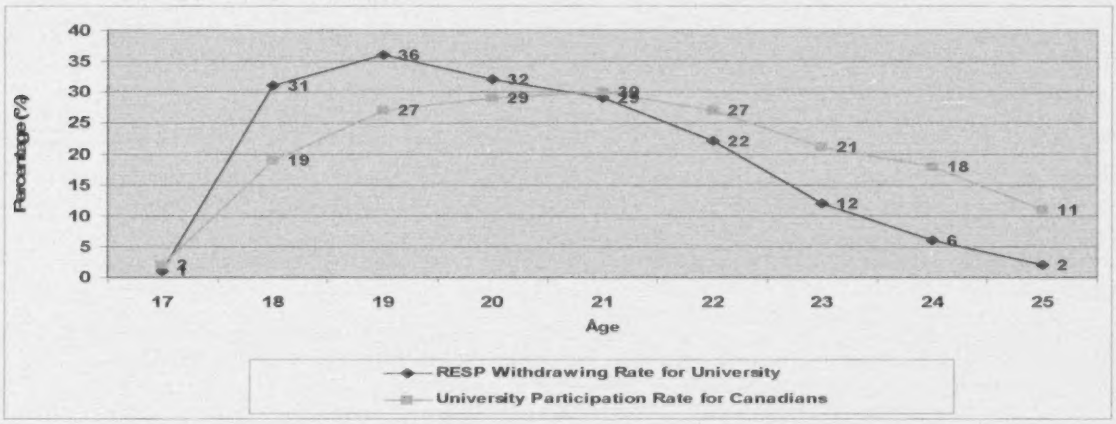
4.4 PSE Participation Rate

4.4.1 University Participation Rate

The blue curve represents the distribution of the RESP withdrawal rate in 2006 for students who attended university between the ages of 17 to 25. The pink curve represents the university participation rate for Overall Canadians for 2005-06, as reflected in the Canadian Council on Learning's 2006 report.

From this graph, it appears that RESP beneficiaries between the ages of 18 and 21 have a higher university participation rate than then their cohorts who do not have an RESP. Beyond the age of 21, however, this trend is less conclusive.

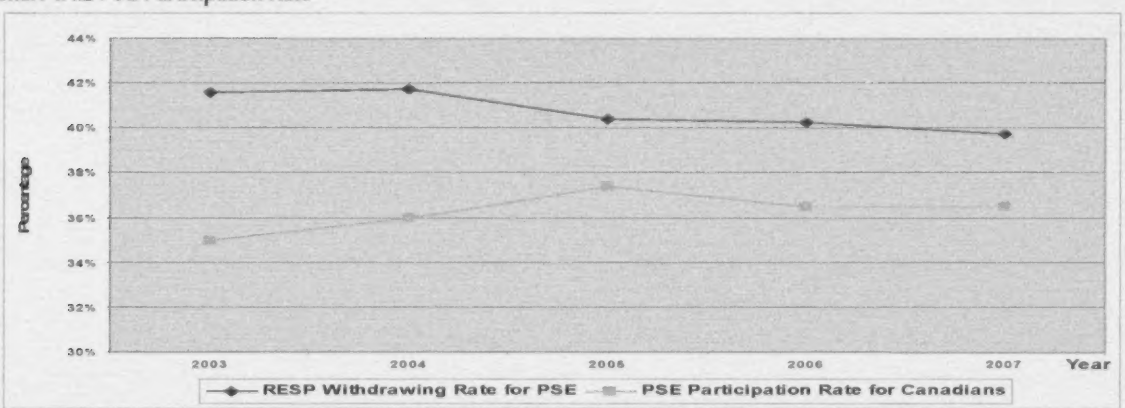
Chart 4.4.1 University Participation Rate



4.4.2 PSE Participation Rate

In this Chart, the blue curve represents the percent of RESP beneficiaries aged 18-21 who withdrew from their RESPs to attend PSE and the pink curve represents the PSE participation rate[1] of overall Canadians aged 20-24, indicating that those who have RESPs are more likely to attend PSE.

Chart 4.4.2 PSE Participation Rate



[1] The source of this data comes from a 2008 report published by the Canadian Council on Learning.

5. BASE POPULATION STATISTICS

Table 5.0: Projected Number of Children by Age Group and by Province/Territory for 2008

Province/Territory	Age group				
	0-4	5-9	10-14	15-17	0-17
Newfoundland and Labrador	20,500	23,900	29,600	19,500	93,500
Prince Edward Island	7,500	7,700	9,000	5,900	30,100
Nova Scotia	42,500	45,600	54,300	37,100	179,500
New Brunswick	32,600	35,800	42,800	28,900	140,100
Quebec	352,000	370,500	443,100	298,000	1, 463,600
Ontario	660,000	705,700	818,300	527,100	2, 711,100
Manitoba	68,600	68,700	77,900	50,500	265,700
Saskatchewan	61,700	60,600	69,300	46,000	237,600
Alberta	179,200	180,300	198,600	129,600	687,700
British Columbia	215,100	230,800	263,000	170,800	879,700
Yukon Territory	1,500	1,500	1,800	1,200	6,000
Northwest Territories	2,800	2,600	3,200	2,300	10,900
Nunavut	3,200	2,900	3,000	2,000	11,100
Canada	1, 647,200	1, 736,600	2, 013,900	1, 318,900	6, 716,600

Source: Statistics Canada, CANSIM, Catalogue no. 91-520. Estimation based on Census 2001.

6. GLOSSARY OF TERMS

BENEFICIARY
A Registered Education Savings Plan (RESP) beneficiary is usually a child, but can be any person named by the subscriber of an RESP to receive money for education after high school in the form of Educational Assistance Payments (EAPs). Payments to a beneficiary are made according to the specific terms of the RESP.

CANADA EDUCATION SAVINGS GRANT (CESG)
The CESG is a grant offered by the Government of Canada to encourage parents, family and friends to save for a child's post-secondary education. A CESG is paid by HRSDC directly into an RESP in which the child is a named as beneficiary.

CANADA EDUCATION SAVINGS PROGRAM (CESP)
CESP is a program within Human Resources and Social Development Canada (HRSDC) that administers the CESG and the CLB to encourage early savings for a child's post-secondary education (PSE) in RESPs.

CANADA LEARNING BOND (CLB)
The CLB is a grant offered by the Government of Canada to help modest-income families start saving for their child's post-secondary education. The CLB is paid by HRSDC directly into the RESP of a child who is a named beneficiary and whose parent or guardian is eligible to receive the National Child Benefit Supplement.

EDUCATIONAL ASSISTANCE PAYMENT (EAP)
EAP is a payment from an RESP to a beneficiary to help with his or her post-secondary education. As such, EAPs are comprised of the CESG, the CLB, and the income earned on the money saved in the RESP.

HUMAN RESOURCES AND SOCIAL DEVELOPMENT CANADA (HRSDC)
HRSDC is a department of the Government of Canada whose mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

MARKET EFFECTS ON RESP ASSETS
The market effects on RESP assets can be estimated based on the change in RESP asset value and the net cash inflow of RESP accounts. As such, Market Effects equals a change in the RESP Asset Value minus the Net Cash Flow of RESP accounts.

POST-SECONDARY EDUCATION (PSE)
PSE refers to qualifying educational programs in designated institutions (e.g., universities, colleges, CEGEPs, or others) in Canada or abroad.

PSE CONTRIBUTION WITHDRAWAL
A PSE Contribution Withdrawal is a withdrawal of contributions made to the subscriber of the RESP when a beneficiary is enrolled in PSE.

REGISTERED EDUCATION SAVINGS PLAN (RESP)
A Registered Education Savings Plan (RESP) is a special plan (like a savings account) that can help Canadians save for post-secondary education. RESPs are registered by the Government of Canada to allow savings for education to grow tax-free until the person named in the RESP enrolls in post-secondary education.

RESP NET CASH INFLOW
The RESP net cash inflow is defined as the difference between the total of RESP cash inflow (the sum of contributions, CESG grants, CLB payments, and Provincial Bond) and the total in RESP withdrawals (the sum of EAPs, PSE withdrawals and Grant repayments).

RESP PROVIDERS
RESP providers are organizations that provide RESPs to the public. They administer all amounts paid into the plan and ensure the payments from the RESP are made according to the terms of the plan and the laws that govern it.

RESP WITHDRAWAL
A RESP Withdrawal is any withdrawal made from an RESP to fund post-secondary education. It includes both EAP and/or PSE withdrawals.

RESP WITHDRAWAL RATE
The RESP withdrawal rate is calculated as the number of beneficiaries who have withdrawn from an RESP for the purpose of attending PSE divided by the total number of beneficiaries in the same age group.

SUBSCRIBER
A subscriber is a person who opens an RESP and may make contributions to that RESP on behalf of an individual named as a beneficiary.